

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

Lordstown Motors Corp., *et al.*,¹

Debtors.

Chapter 11

Case No. 23-10831 (MFW)

(Jointly Administered)

Obj Deadline: Jan. 22, 2024 at 4:00 p.m. (ET)

Hearing Date: *Only if objections are filed*

**COVER SHEET FOR SECOND MONTHLY APPLICATION OF
JEFFERIES LLC FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED AS INVESTMENT BANKER FOR
THE DEBTORS AND DEBTORS IN POSSESSION FOR THE PERIOD
FROM OCTOBER 1, 2023 TO AND INCLUDING OCTOBER 31, 2023**

Name of Applicant:	<u>Jefferies LLC</u>
Authorized to Provide Professional Services to:	<u>Debtors and Debtors in Possession</u>
Date of Retention:	<u>July 25, 2023 effective as of June 27, 2023</u>
Period for Which Compensation and Reimbursement are Sought:	<u>October 1, 2023 – October 31, 2023</u>
Amount of Compensation Sought as Actual, Reasonable, and Necessary:	<u>\$2,200,000.00²</u>
Amount of Compensation Requested Immediately:	<u>\$1,600,000.00³</u>

¹ The Debtors in these chapter 11 cases (these “**Chapter 11 Cases**”), along with the last four digits of their respective taxpayer identification numbers are: Lordstown Motors Corp. (3239); Lordstown EV Corporation (2250); and Lordstown EV Sales LLC (9101). The Debtors’ service address is 27000 Hills Tech Ct., Farmington Hills, MI 48331.

² This amount is on account of the (i) net \$2,000,000.00 M&A Transaction Fee on account of the M&A Transaction approved pursuant to the *Order (I) Authorizing and Approving the Sale of Certain of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests; (II) Authorizing the Debtors to Enter into and Perform Their Obligations under the Asset Purchase Agreement; (III) Authorizing the Assumption and Assignment of Certain Executory Contracts in Connection Therewith; (IV) Authorizing the Sale Transaction; and (V) Granting Related Relief (“Sale Order”)* [Docket No. 586] and (ii) October 2023 Monthly Fee (as defined below). To date, five full Monthly Fees have been paid to Jefferies for the months of June, July, August, September and October 2023. These five Monthly Fees are credited against the gross \$3,000,000.00 M&A Transaction Fee pursuant to the Retention Order and Engagement Agreement (both as defined below) (\$3,000,000.00 – \$1,000,000.00 = \$2,000,000.00). Accordingly, the net M&A Transaction Fee is \$2,000,000.00.

³ The \$1,600,000 of compensation requested is on account of 80% of the M&A Transaction Fee referenced above. Pursuant to the Retention Order (as defined below), the Debtors are authorized to pay Jefferies LLC (“**Jefferies**”) its monthly fee (the “**Monthly Fee**”) each month when required under the Engagement Agreement (as defined below) without a prior fee application. Accordingly, Jefferies is not, by this Monthly Fee Application (as defined below),

Amount of Expense Reimbursement Requested: \$8,856.07⁴

This is a(n): monthly X interim final application

requesting payment of the October 2023 Monthly Fee earned during the Compensation Period (as defined below). Jefferies, however, will seek approval of such Monthly Fee in its interim and final fee application(s) in these cases.

⁴ As noted in the Retention Application (as defined below), Jefferies received an expense advance in the amount of \$25,000.00 prior to the Petition Date. After the application of prepetition expenses, \$6,463.00 remains to be applied against the postpetition expenses set forth herein.

**SECOND MONTHLY FEE APPLICATION OF
JEFFERIES LLC**

PRIOR FEE STATEMENTS

	REQUESTED		PAID		OUTSTANDING	
APPLICATION	FEES	EXPENSES	FEES	EXPENSES	FEES	EXPENSES
First Consolidated Monthly Fee Application (filed 11/14/23) 6/27/23-9/30/23	\$600,000.00	\$38,459.31	\$600,000.00	\$38,459.31	\$0.00	\$0.00
First Interim Fee Application (filed 11/14/23) 6/27/23-9/30/23	\$600,000.00	\$38,459.31	\$600,000.00	\$38,459.31	\$0.00	\$0.00

**SECOND MONTHLY FEE APPLICATION OF
JEFFERIES LLC**

**HOURS BY PROFESSIONAL
OCTOBER 1, 2023 – OCTOBER 31, 2023**

Summary of Hours by Professional October 1, 2023 - October 31, 2023		
Name	Position	Hours
Sean Costello	Managing Director, Mobility and Technology	6.5
Jeffrey Finger	Managing Director, Co-Head of US Debt Advisory and Restructuring	16.0
Ryan Hamilton	Senior Vice President, Debt Advisory and Restructuring	21.5
Kevin Lisanti	Vice President, Debt Advisory and Restructuring	14.5
Kelly Pasekoff	Vice President, Mobility and Technology	6.5
Lars Hultgren	Analyst, Debt Advisory and Restructuring	34.5
Total		99.5

**SECOND MONTHLY FEE APPLICATION OF
JEFFERIES LLC**

**HOURS BY CATEGORY
OCTOBER 1, 2023 – OCTOBER 31, 2023**

Summary of Hours by Category October 1, 2023 - October 31, 2023		
Category Code #		Hours
1	Case Administration / General	36.0
2	Sale Process	36.5
3	Creditor Communication	-
4	Debtor Communication	-
5	DIP Financing	-
6	Testimony Preparation	-
7	Plan of Reorganization	4.5
8	Travel	-
9	Due Diligence / Analysis	1.0
10	Business Plan	-
11	Process Update and Case Strategy	21.5
Total		99.5

**SECOND MONTHLY FEE APPLICATION OF
JEFFERIES LLC**

**EXPENSES BY CATEGORY
OCTOBER 1, 2023 – OCTOBER 31, 2023**

Jefferies LLC

Summary of Expenses by Category
October 1, 2023 - October 31, 2023

Category	Expenses
Employee Overtime Meal	\$260.93
Non-Employee Meal	\$110.00
Transportation	\$76.14
Legal Fees	\$8,409.00
Total	\$8,856.07

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(Jointly Administered)

Obj Deadline: Jan. 22, 2024 at 4:00 p.m. (ET)

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**SECOND MONTHLY APPLICATION OF
JEFFERIES LLC FOR ALLOWANCE OF COMPENSATION FOR
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED AS
INVESTMENT BANKER FOR THE DEBTORS AND DEBTORS IN POSSESSION FOR
THE PERIOD FROM OCTOBER 1, 2023 TO AND INCLUDING OCTOBER 31, 2023**

Jefferies LLC (“**Jefferies**”), the investment banker for the above captioned debtors and debtors in possession (collectively, the “**Debtors**”), hereby submits this second monthly fee application (this “**Monthly Fee Application**”), pursuant to §§ 328, 330, and 331 of title 11 of the United States Code, §§ 101 *et seq.* (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Chapter 11 Professionals and Committee Members* [Docket No. 181] (the “**Interim Compensation Order**”), and the *Order (A) Authorizing the Retention and Employment of Jefferies LLC as Investment Banker for the Debtors and Debtors in Possession Pursuant to 11 U.S.C. §§ 327(a) and 328(a), Effective as of the Petition Date, (B) Waiving Certain Time-Keeping*

¹ The Debtors in these chapter 11 cases (these “**Chapter 11 Cases**”), along with the last four digits of their respective taxpayer identification numbers are: Lordstown Motors Corp. (3239); Lordstown EV Corporation (2250); and Lordstown EV Sales LLC (9101). The Debtors’ service address is 27000 Hills Tech Ct., Farmington Hills, MI 48331.

Requirements [Docket No. 188] (the “**Retention Order**”)² for the period from October 1, 2023 to and including October 31, 2023 (the “**Compensation Period**”) for (i) payment of 80% of Jefferies’ fees incurred for reasonable and necessary services in the amount of \$1,600,000.00 (on account of the M&A Transaction Fee earned during the Compensation Period) and (ii) interim allowance of the reimbursement of 100% of actual and necessary expenses that Jefferies incurred in the amount of \$8,856.07. In support of this Monthly Fee Application, Jefferies respectfully states as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (this “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory and other bases for the relief requested in this Monthly Fee Application are §§ 328(a), 330, and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, Local Rule 2016-2, the Interim Compensation Order, and the Retention Order.

BACKGROUND

3. On June 27, 2023 (the “**Petition Date**”), each of the Debtors filed with this Court a voluntary petition for relief under the Bankruptcy Code. The Debtors continue to be in possession of their assets and to operate their businesses and manage their properties as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or official committee of unsecured creditors has been appointed in these chapter 11 cases.

² The Retention Order approved the terms of that certain engagement agreement by and among the Debtors and Jefferies, dated as of June 26, 2023 (collectively, the “**Engagement Agreement**”), a copy of which is attached as Exhibit 1 to the Retention Application. Unless otherwise stated, all capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Engagement Agreement.

4. On July 6, 2023, the Debtors filed an application to retain and employ Jefferies as their investment banker [Docket No. 88] (the “**Retention Application**”) effective as of the Petition Date, pursuant to the terms of the Engagement Agreement.

5. On July 25, 2023, the Court entered the Retention Order. The Retention Order, among other things, approved the Engagement Agreement, as modified by the Retention Order, pursuant to § 328(a) of the Bankruptcy Code, and authorized the Debtors to pay, reimburse, and indemnify Jefferies in accordance with the terms and conditions of, and at the times specified in, the Engagement Agreement.

6. Also on July 25, 2023, the Court entered the Interim Compensation Order, which generally sets forth the procedures for interim compensation and expense reimbursement for retained professionals in the Debtors’ chapter 11 cases. The Interim Compensation Order provides, among other things, that a retained professional may file a certificate of no objection with respect to any fees and expenses requested in the monthly fee application that are not subject to an objection following the expiration of the Objection Deadline (as defined in the Interim Compensation Order as 4:00 p.m. (Eastern Time) on the twentieth (20th) day after service of such Monthly Fee Application), at which time the Debtors shall promptly pay such professional eighty percent (80%) of such fees and 100 percent (100%) of such expenses.

7. On November 14, 2023, Jefferies filed the (i) *First Consolidated Monthly Application of Jefferies LLC for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Investment Banker to the Debtors and Debtors in Possession for the Period of June 27, 2023 to and Including September 30, 2023* (“First Consolidated Monthly Fee Application”) and (ii) *First Interim Fee Application of Jefferies LLC as Investment Banker for the Debtors and Debtors in Possession for Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred for the Period from June 27, 2023 to and Including September 30, 2023* (“First Interim Fee Application”), in accordance

with the Order (I) *Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief* [Docket No. 169] (the “Interim Compensation Order”). The objection deadlines for the Consolidated Monthly Fee Application and First Interim Fee Application ran on December 4, 2023. On December 14, 2023, the Court entered the *First Omnibus Order Awarding Interim Allowance of Compensation for Services Rendered and for Reimbursement of Expenses* [Docket No. 821] approving the fees and expenses requested in the First Interim Fee Application.

RELIEF REQUESTED

8. By this Monthly Fee Application, Jefferies requests compensation for reasonable and necessary services rendered in the amount of \$2,200,000.00³ and reimbursement of 100% of actual and necessary expenses that Jefferies incurred during the Compensation Period in connection with professional services rendered to the Debtors in the amount of \$8,856.07. Pursuant to the Interim Compensation Order, Jefferies requests (i) payment in the amount of \$1,600,000.00, which is equal to eighty percent (80%) of the M&A Transaction Fee earned by Jefferies during the Compensation Period and (ii) interim allowance and reimbursement of 100% of Jefferies’ expenses incurred during the Compensation Period in connection with professional services rendered to the Debtors in the amount of \$8,856.07. All services for which compensation is requested by Jefferies were performed during the Compensation Period to the Debtors.

9. With respect to the M&A Transaction Fee, Jefferies earned a \$2,000,000.00 M&A Transaction Fee on account of the M&A Transaction approved pursuant to the Sale Order. As noted above, Jefferies also earned a Monthly Fee during the Compensation Period, but the Debtors are

³ As noted above, this amount is on account of the (i) net \$2,000,000.00 M&A Transaction Fee on account of the M&A Transaction approved pursuant to the Sale Order and (ii) October 2023 Monthly Fee. To date, five full Monthly Fees have been paid to Jefferies for the months of June, July, August, September and October 2023. These five Monthly Fees are credited against the gross \$3,000,000.00 M&A Transaction Fee pursuant to the Retention Order and Engagement Agreement (\$3,000,000.00 – \$1,000,000.00 = \$2,000,000.00). Accordingly, the net M&A Transaction Fee is \$2,000,000.00.

authorized to pay Jefferies' Monthly Fees each month when required under the Engagement Letter without a prior fee application.

10. Accordingly, the total fees requested in this Monthly Fee Application are, therefore, equal to \$1,600,000.00 (80% of the M&A Transaction Fee).

11. Although Jefferies, in line with market convention, does not bill by the hour, Jefferies kept track of its post-petition time in half-hour increments in accordance with the Retention Order. Such time records are attached hereto as **Exhibit A**. During the Compensation Period, Jefferies professionals spent approximately 99.5 hours providing investment banking services to the Debtors.

12. The fees charged by Jefferies have been billed in accordance with the Engagement Agreement and the Retention Order and are comparable to those fees charged by Jefferies for professional services rendered in connection with similar chapter 11 cases and non-bankruptcy matters. Jefferies submits that such fees are reasonable based upon the customary compensation charged by similarly skilled practitioners in comparable bankruptcy cases and non-bankruptcy matters in the competitive national investment banking market.

8. There is no agreement or understanding between Jefferies and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these chapter 11 cases.

ACTUAL AND NECESSARY EXPENSES

9. Jefferies incurred certain necessary expenses during the Compensation Period for which it is entitled to reimbursement under the Engagement Agreement. As set forth in detail on the attached **Exhibit B**, Jefferies' total expenses for the Compensation Period are \$8,856.07.

CERTIFICATION OF COMPLIANCE

12. The undersigned has reviewed the requirements of Local Rule 2016-2 and certifies that, to the best of his knowledge, information and belief, this Monthly Fee Application complies with that rule.

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WHEREFORE, Jefferies requests (i) payment in the amount of \$1,600,000.00, which is equal to eighty percent (80%) of the M&A Transaction Fee sought during the Compensation Period and (ii) interim allowance and reimbursement of 100% of Jefferies' actual and necessary expenses incurred during the Compensation Period in the amount of \$8,856.07.

Dated: January 2, 2024
New York, New York

JEFFERIES LLC
/s/ Jeffrey Finger
Jeffrey Finger
Managing Director
Jefferies LLC